



2013

SUSTAINABILITY REPORT

## WHY GRIEG SEAFOOD IS DEDICATED TO SUSTAINABILITY



Systematic efforts to secure balanced sustainability are therefore fundamental in order to facilitate long-term profitable growth. These efforts are increasingly material for the industry's viability.

Seafood and particularly aquaculture is designated to be one of the future's most important sources of protein for the growing world population. In addition to having a significant positive effect on public health, seafood is substantially more energy efficient than other meats. It can therefore turn out to be an important step in solving the climate challenge. In order to exploit this possibility it is imperative for the industry to develop in a sustainable manner.

The fish farmers' main cost drivers, risks and opportunities are increasingly connected with managing our impact on the environment, our personnel and the local communities where we operate. Systematic efforts to secure balanced sustainability are therefore fundamental in order to facilitate long-term profitable growth. These efforts are increasingly material for the industry's viability.

Fish farming is based on management of shared natural resources. Professional management of these resources constitutes a high interest for our stakeholders and is essential for our own profitability. The clearest example is biology, where operational challenges like disease, sea lice and escapes are central to the local ecosystem. This also applies for product quality, treatment cost and loss.

Fish farming requires that the local communities accept salmon farming in their areas. Hence it is im-

portant for Grieg Seafood to contribute with positive effects to the local communities where salmon is produced and processed, both with regard to environmental impact and in terms of social consequences.

In 2013 Grieg Seafood together with several other fish farmers globally committed to common sustainability goals for the industry through the Global Salmon Initiative (GSI). This initiative obliges us to seek more ambitious goals:

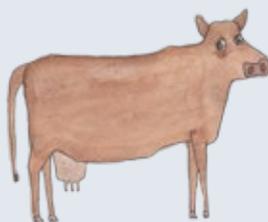
- Minimise environmental impact
- Secure sustainable feeds
- Continue to improve our influence on the community
- Support economical growth and stability
- Produce a healthy and nutritious product in a sustainable way

### Global Salmon Initiative (GSI)

*GSI is a group currently comprising 14 companies which represent more than 70 % of the global production of salmonids. The companies have committed to cooperation and transparency, in order to reach a shared goal to produce a sustainable and healthy product that meets a growing population's need for proteins, while any negative environmental impact is reduced and influence on the society is improved.*



FAO predict growth in the world's population to 9 billion by 2050



The need for protein expected to grow by 70% world wide.



Farmed fish could provide a daily food supply for more than 500 million people by 2050

## OUR PRIORITIES



All aspects of the matrix are considered to be important, while the aspects in the upper right corner are considered the most important.

Grieg Seafood has in 2013 conducted an assessment in order to accentuate priority areas for sustainability. Our priorities will ensure that our efforts respond to our main stakeholders' expectations of us, as well as being resource efficient in terms of our strategy and long-term value creation. The priorities also take into account our long-term liabilities through GSI.

### Materiality analysis

The prioritisation was carried out according to the guidelines developed by Global Reporting Initiative (GRI) G4. A multidisciplinary group including representatives of the management team was involved in the preparation and anchoring of this work.

the main principles, performance, results and future goals and ambitions.

- Food safety and quality
- Fish health
- Delousing agents
- Escaping control
- Employee safety and working environment
- Anti-corruption and integrity
- The ripple effect in communities
- Transparency and stakeholder dialogue (this section)

The assessment was based on a survey of our stakeholders' expectations of us. Identified aspects of sustainability were ranked in terms of importance to each stakeholder group, as well as an assessment of potential risks and opportunities related to Grieg Seafood's achievement.

The matrix shows the sustainability aspects that emerged through the materiality analysis, and it clarifies our priorities. All aspects of the matrix are considered to be important, while the aspects in the upper right corner are considered the most important. For 2013 we have chosen to focus the reporting of the aspects with the highest priority. Our intention is to expand this reporting. The approach to the highest priority aspects is elaborated with focus on

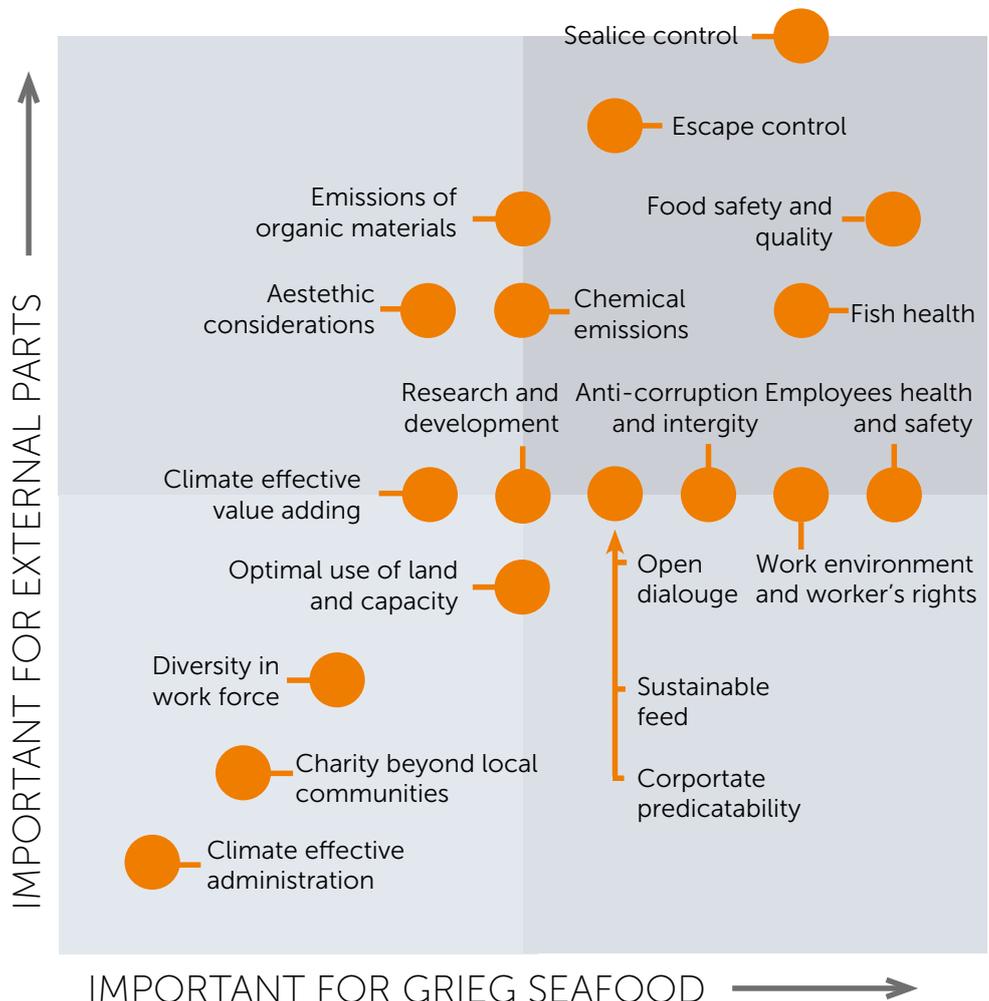


Figure I. Materiality analysis for sustainability

### Transparency and stakeholder dialogue in 2013

Grieg Seafoods values are openness, respect and ambition. In line with these values we have in 2013 worked to systematise our approach to stakeholder dialogue and develop our first integrated sustainability report. The main purpose of this work has been to ensure that our efforts to provide sustainability will meet the expectations of our stakeholders and to enable a more open and fact-based dialogue.

The survey of stakeholder expectations that was conducted in 2013, was based on a review of our ongoing dialogue with stakeholders, including meetings with investors, customer feedback and employee surveys. We additionally considered other sources of information, including media, investor reports and industry reports. Figure 2 provides insight into our dialogue with main stakeholders, as well as their major expectations of us in terms of sustainability.



Figure 2. Stakeholder dialogue in 2013



## Shareholders

We keep an ongoing dialogue with owners about strategy and results. This includes frequent meetings with the Board. Our shareholders are concerned about long-term value creation and returns, and therefore place special emphasis on risk factors such as lice, escapes and fish health.

## Investors and asset managers

We also strive to keep an open dialogue with potential investors and asset managers, amongst others through this annual report, quarterly presentations and separate meetings with potential investors. Similar to our existing owners' concern with long-term value and returns, we place special focus on risks such as lice, escapes and fish health.

## National and international authorities

We believe in open dialogue with the authorities in the countries where we operate, and we contribute our views on areas that are important to us. We also strive to meet all requests for meetings and dialogue. National authorities have until now emphasised challenges related to biology and long-term value creation.

## Local authorities and communities

Our operation depends on acceptance from local authorities and communities. Dialogue with local communities mainly takes place through the local stakeholders. In Canada there is a particular focus on dialogue with representatives of the local indigenous population. Local communities are often concerned with local activity and employment, but also the influence of common natural resources and landscape.

## Customers

We work to understand and meet our customers' expectations. This is often based on direct feedback or surveys. Customers are particularly concerned with food safety and quality, often through clear certification and approach in terms of environmental impact.

## Employees

We work to understand our employees' needs and expectations, and we place particular focus on training and development, through collaboration with schools, apprenticeships and active stimulation of our employees to further their knowledge within their special fields. We also keep dialogue with trade unions representing our employees. In 2013, we established a notification channel for employees to report events that go against internal and external regulations. Our focus is dialogue. Employees are especially concerned with safety and working environment.

## Stakeholder organisations

There are many different stakeholder organisations and we concentrate our attention on the most important associations constructively seeking improvements in the industry. This includes many environmental organisations and organisations working specifically with key issues. Interest organisations are particularly concerned about our impact on the ecosystem around our operations, sustainable feeds and food safety.

## Suppliers

We constantly work with suppliers to ensure that they operate according to our sustainability requirements. This especially applies to our suppliers of feed and staffing services. This cooperation especially focuses on meeting requirements for equal treatment. Suppliers are concerned with our integrity and establishing of clear but realistic requirements.

## FOOD SAFETY AND QUALITY



There are no traces of illegal medicines in farmed fish, and no findings of legal drugs, organic pollutants or heavy metals above the limit.



### Why this is important to us

Producing high-quality and safe food is our main objective. Food safety and quality holds the highest importance to our customers. Salmon and trout producers must be able to verify the quality of the fish from egg to market. The absence of undesirable microorganisms and traces of chemicals and medicines is essential to provide customer food which is safe and perceived as safe.

### Our main principles

We strive to always provide products that meet our customers' high expectations of quality. This requires full traceability and strict quality control at every stage of the production process. To maintain security around our approaches we focus on clear and open communication about our work methods and standards.

### Our efforts and achievements in 2013

To produce safe and high quality food, Grieg Seafood has introduced standards that exceed government demands for quality and traceability. Among other measures, we have attained certification of our production management. Grieg Seafood Rogaland and Grieg Seafood Shetland are both certified by the extensive Global GAP standard. The standard covers the entire value chain as a "code of conduct." It is maintained by annual audits and unannounced inspections.

Alongside Global G.A.P. Grieg Seafood operates devices by the standards Natureland, The British Retail Consortium, The Soil Association, Freedom Food, The Organic Food Federation, Protected Geographic Indication, SSPO, BAP and Friend of the Sea.

Our sales company, Ocean Quality, is certified by the standards Global G.A.P., Chain of Custody, and ASC Chain of Custody.

The production management program "Fish Talk" provides evidence of traceability from insertion of roe until the fish are harvested. Fishtalk also provides a complete overview of all feed used and any treatments. We have an ongoing focus on preventive measures in production, also ensuring a high standard of hygiene. Hence we secure good hygiene practices in boats, installations and processing plants, based on knowledge and awareness among our employees. The production is continuously followed up by the FSA, which for instance has inspected and approved the HACCP system of the process plant.

Safe food of high quality must describe optimal nutritional value and absence of foreign substances and pathogenic elements. We are subject to an EU-imposed monitoring program for aquaculture based on EU Directive 96/23 EC. This monitors that we stay below recommended maximum values for hazardous residues of medicines in food. Since the program began in 1998, the level of residues has remained significantly below the recommended maximum limits for all who participated in the surveillance.

Norwegian Institute of Nutrition and Seafood Research (NIFES) carries out the monitoring on behalf of the FSA. In 2013 NIFES concluded in the report "Farmed fish are safe foods" that:

"There are no traces of illegal medicines in farmed fish, and no findings of legal drugs, organic pollutants or heavy metals above the limit."



Figure 3. Value chain for food safety

### Purchases

- Quality criteria for feeds
- Traceability through "Fishtalk"

### Fish farming

- Preventive health measures and treatment
- Traceability through "Fishtalk"
- GLOBAL G. A. P certification

### Harvesting

- Preventive hygienic and quality measures
- Traceability through "Fishtalk" and Maritec
- Approved HACCP system
- Norwegian Food Safety Authority monitors residues in fish
- GLOBAL G. A. P certification

### Sales & distribution Customer

- Risk assessment and preventive measures
- Standards for transport and storage
- ASC Chain and Custody
- Communication about approach
- GLOBAL G. A. P certification
- Systems to register and follow up customer feedback
- Approved HACCP system
- Food Safety Authorities monitor residue substances in fish
- GLOBAL G. A. P certification

### Our ambitions and goals

Our upcoming priority is to develop systems to further enhance customer focus in our operations. As part of this we will develop our approach to receive and follow up feedback from customers. This includes in-depth customer satisfaction surveys, and to translate this into action by the cage, the processing plants and in the administration.

Information about the results and objectives related to production for the Group as a whole is important for managing the business and communicating clearly with our customers and partners. In conjunction with our commitment to GSI, which involves a target to implement the Aquaculture Stewardship Council (ASC) standard for salmon farming by 2020, we strive to develop common goals and performance indicators comparable across the Group as well as the industry in general.

### Global G.A.P.

is a voluntary international standard for food production, both in agriculture and aquaculture. The standard comprises food safety, animal welfare, sustainability, employment and traceability.

### Fishtalk

is a production management system with many modules. Grieg Seafood deploys Fishtalk to record and report central ongoing production parameters from egg to harvesting. Defined targets are fed into the system throughout the process.

### Maritec

is a data acquisition system specially adapted to harvesting and sales processes.

### Aquaculture Stewardship Council (ASC)

ASC was founded in 2010 by WWF and IDH in order to establish global standards for sustainable seafood production. ASC standards set requirements for processes and marginal values to minimise negative environmental and social effects from fish farming. GSI members have committed themselves to work towards ASC by 2020.

## FISH HEALTH



It is important and a duty for us as fish farmers to work systematically with fish health through prevention, so that the fish get the best conditions to stay healthy



### Why it is important to us

Fish health is vital to ensure sustainable resource utilisation. Good fish health implies that a highest possible share of the fish are doing well, growing normally and survive throughout the lifecycle. It is important and a duty for us as fish farmers to work systematically with fish health through prevention, so that the fish get the best conditions to stay healthy. High mortality also has a major negative impact on profitability.

### Our main principles

We aim for a systematic long-term approach to achieve good growth and high harvesting quality, with a focus on ensuring resistance. This includes the preparation of overall fish health plans for each region. The plans cover regionally adapted infection prevention and vaccine strategies. Fish health plans are revised upon need but at least once a year. For an optimal mutual response, we also focus on local cooperation and transparency with other participants.

### Our efforts and achievements

We systematically strive to monitor the health situation on all our locations. An important part of this effort is the statutory fish health checks on all locations. This includes monthly reporting on fish health, which includes records of external injuries, eventual diagnoses and mortality. Table 1 shows an overview of the mortality rate of all our regions.

The figures show that Finnmark had a good year with low biomass mortality. By year-end Grieg Seafood Shetland also could note the best survival rate of a generation of fish in 10 years. The Q1 mortality in Shetland is largely due to predator damage (seals).

Table I. Quarterly overview of mortality in the sea for each region (mortality indicated as dead biomass/ gross production in percent)

2013	GSFF	GSFR	GSFH	GSF BC
Q1	4.6	22.08	23.5	10
Q2	4.8	22.1	10.9	2.5
Q3	4.3	12.4	5.9	10.2
Q4	4.3	6.4	6.1	6.9

The figures also show that we lost a substantial amount of fish in Rogaland in the first half of 2013, mainly due to CMS disease but also due to a PD outbreak in a plant in early summer. Grieg Seafood in Canada had some isolated incidents, respectively algae flourishing and poor water chemistry, especially in the fall. This causes some mortality, but the target number is highly affected by low gross biomass growth due to conditional suspension of feeding.

Based on the fish health monitoring results, means are taken to deal with any challenges at the individual sites. An important preventive measure is our health feed program, which mainly consists of increasing the fish resistancy and ability to cope with stress and external influences. We also work to implement infection prevention measures, in order to reduce medical treatment if possible. For example, we isolate installations by prohibiting transfers between facilities unless the boat is disinfected. We have also introduced PCR screening for earlier detection of parasites, viruses and bacteria.

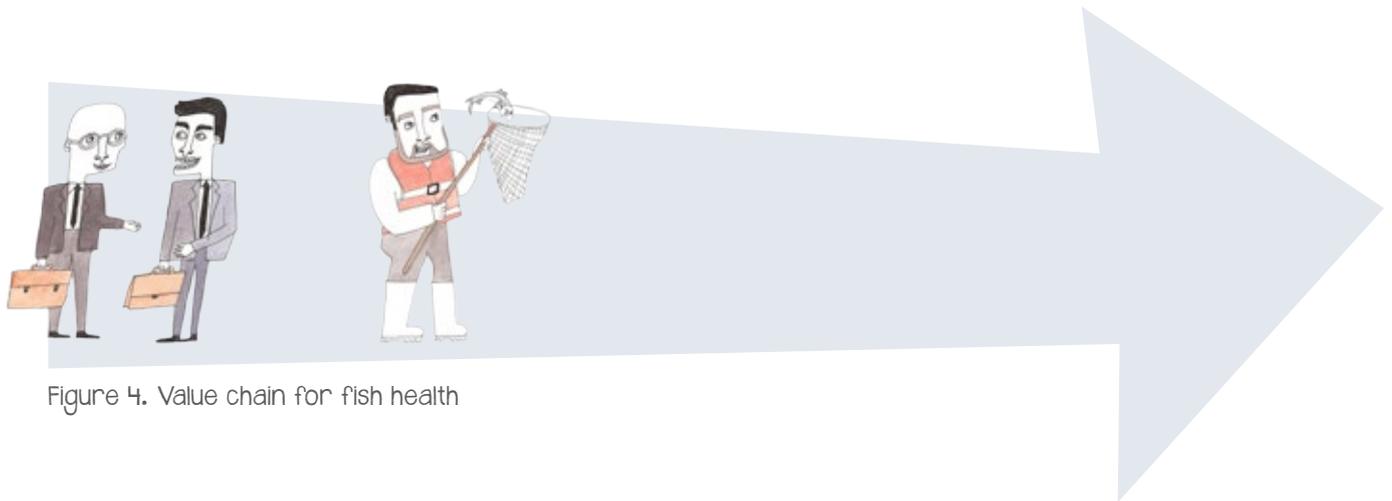


Figure 4. Value chain for fish health

### Purchases

- Quality feeds
- Health feeds program
- Medicines and vaccination

### Fish farming

- Integrated fish health plans for each region
- Measures to prevent contamination, and vaccination strategies
- Monthly fish health controls
- Local cooperation
- Records in "Fishtalk"

Some of the measures to fight disease and promote fish health, involve medical treatment. Table 2 shows an overview of regional use of antibiotics (active substances medicine (g) per tonne of biomass. Figures show a very low consumption of antibiotics in Finnmark, Rogaland and Shetland, which count for 90% of our production. The use of antibiotics in Canada is largely due to treating Pacific Salmon for BKD, and also to treat wounds on the fish. Reduced production levels in Canada also raise figures per tonne of biomass relative to other regions. The high consumption of antibiotics is one of the reasons why we have discontinued the production of Pacific salmon in Canada from 2014.

### Our ambitions and goals

Our aim is to keep the average mortality rate for the group to a maximum of 10%. This target has been achieved for 2013 if mortality is measured in (dead) biomass per gross produced biomass as shown in the table. There are still challenges in some regions, and we therefore seek to further decrease these levels. In addition, we will in 2014 consider counting the loss of individuals rather than biomass. Our regions have skilled staff with in-depth knowledge and experience within fish health. We will work to share relevant skills and experiences across our operations.

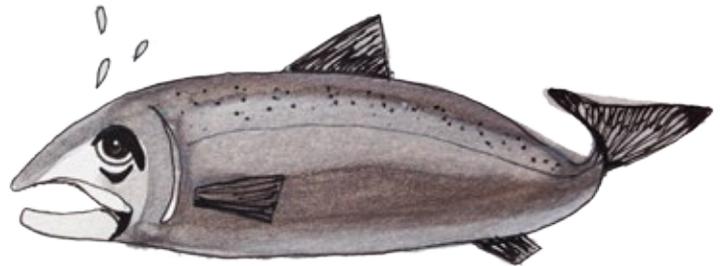
Table 2. Antibiotics consumption (active substances medicine (g) per tonne produced biomass)

ANTIBIOTICS	GSF BC	GSF F	GSF R	GSF UK
gram/ton	568	0,95	0	0

## SEALICE CONTROL



In short: Sea lice management is paramount to secure long-term sustainability of the industry.



### Why it is important to us

Dealing with lice is high on our stakeholders' agenda due to the potential negative impact on wild populations and farmed salmon's health and welfare alike. Treating lice is also cost- and resource intensive and high levels imply lower productivity and quality. Improper handling of lice can lead to resistant lice, which again could lead to natural constraints on future growth of the industry. In short: Sea lice management is paramount to secure long-term sustainability of the industry.

### Our main principles

Lice levels should stay below Norwegian authorities' limits in all our fish farms in Norway. We also strive to comply with the same standard in our operations in other countries. To ensure compliance we strive to always be ahead of the lice development through continuous monitoring and response. Delousing efforts should also be balanced with a focus on fish welfare and avoiding resistance. We therefore prioritise non-chemical delousing methods when possible. For the best possible shared response, we will also focus on local cooperation, coordination and transparency with other participants.

### Our efforts and achievements

A key step in our efforts to prevent and treat against lice is the statutory systematic monitoring of sea lice levels in all our fish farms. The salmon is checked for lice every week at water temperatures above 4 °C. At water temperatures below 4 °C lice is counted every other week, out of consideration for fish health and welfare. Based on the results, relevant agents are applied. Examples of such measures include conducting lice counts several times a week at high sea lice levels as well as susceptibility testing of sea lice populations before treatment is engaged. Such measures are coordinated with other fish farming actors in the region.

The table shows the average monthly level of mature female lice in each region of Grieg Seafood. Grieg Seafood has defined 0.5 sexually mature females as a threshold for implementation of measures in each region. This is stricter than the national guidelines in the UK and Canada. We have stayed below this threshold

Table 3. Average monthly level of sexually mature female lice

2013	GSF BC	GSFF	GSFR	GSFH
Jan	0.44	0.01	0.27	0.05
Feb	0.48	0.03	0.13	0.43
Mar	0.06	0.04	0.10	0.11
Apr	0.07	0.06	0.04	0.10
May	0.05	0.06	0.00	0.10
June	0.01	0	0.05	0.10
July	0.04	0	0.09	0.10
Aug	0.16	0.2	0.06	0.55
Sep	1.10	0.22	0.07	0.60
Oct	0.29	0.15	0.05	0.44
Nov	0.31	0.35	0.05	0.60
Dec	0.19	0.05	0.06	0.54

on a monthly basis, with the exception of September in Canada and four months in autumn in Shetland. The high levels of lice in Canada in September is particularly due to massive influx of wild fish in the fall months in this region, affecting farmed fish. Treatment during this period has very little effect. In the UK, treatment for lice is demanding due to a severe limitation of the number of effective treatment agents. This limitation has the greatest effect in the fall months, when pressure from lice is most demanding.

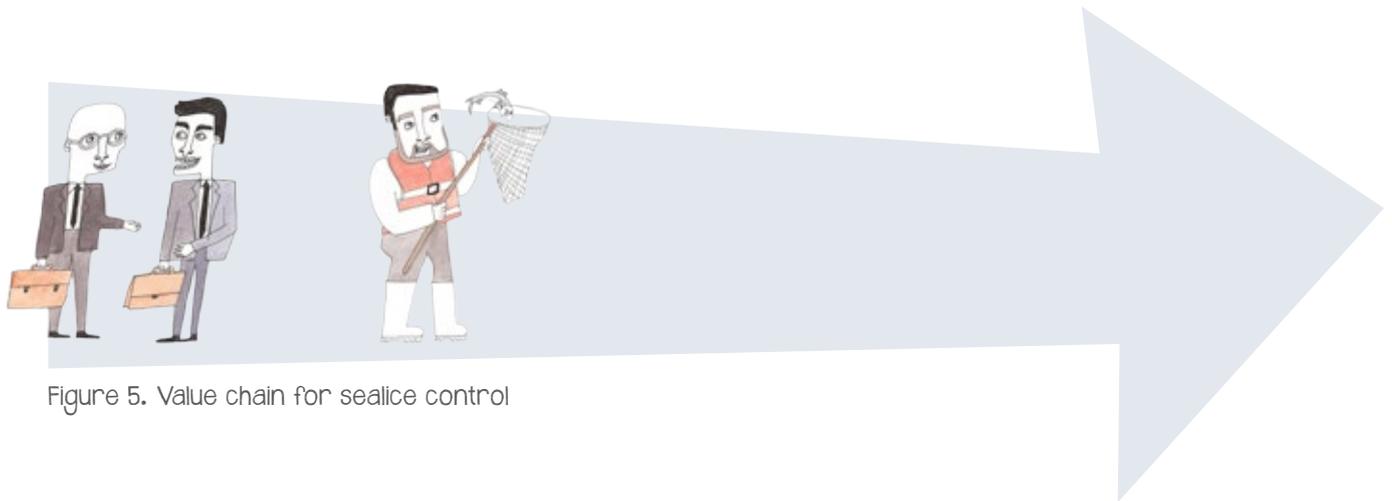


Figure 5. Value chain for sealice control

**Purchases**

- Delousing agent

**Fish farming**

- Preventive measures
- Continuous monitoring of levels
- Balancing chemical and non-chemical treatment
- Records and follow-up through "Fishtalk"

Revolving use of the fewest possible chemical agents is extremely important in lice treatment, in order to minimise the development of resistance to current treatment. We have therefore focused on "rolling over" the use of chemical agents and active use of wrasse. Grieg Seafood Rogaland has extensive experience with the use of wrasse. The natural conditions are not right for the traditional use of wrasse in the other regions, but the last two years we have commenced on projects in an attempt to develop lumpfish both in Rogaland, Finnmark and Shetland. The results are promising, but there are still some challenges to be resolved before lumpfish is an effective method to keep lice away from salmon.

An overview of lice remedy consumption as active substance per tonne produced fish shows in which regions the lice challenge is greatest. The use of chemical lice treatments has increased in Rogaland in 2013 due to an unfavorable combination of reduced availability of wrasse early enough after a "warm" winter, and sharpened public requirements for the upper limit of sexually mature lice after January 1, 2013. In addition to the figures in the table, we used 82.3 L / MT gross produced biomass with hydrogen peroxide for lice treatment in Shetland. This is due to low efficacy of other delousing agents for large fish.

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Delousing agents (active substance, gram/MT gross production of biomass)

AGENTS	GSF BC	GSFF	GSFR	GSFH
gram/MT	0.19	1.64	3.26	1.32

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**Our ambitions and goals**

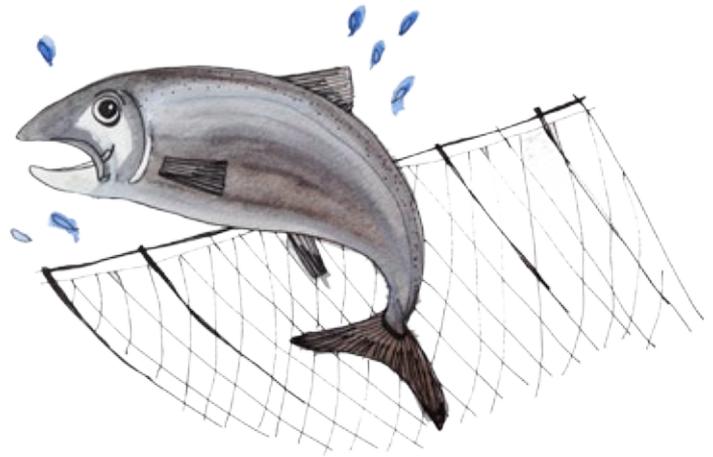
We have defined a target of not more than the average of 0.5 sexually mature female lice per site. Although this is more stringent than the requirement for localities outside of Norway we want to strive towards the same goal throughout the Group. To ensure that we achieve our goal of combating lice while avoiding resistance, we will continue to make necessary investments to implement the most effective treatment methods. In this work, we have a focus on non-chemical treatments.

Also considering the lice challenge we work to implement common performance indicators and targets comparable across the Group and the industry in general.

## ESCAPE CONTROL



We have zero tolerance for fish escaping our facilities, and we work continuously to prevent escape.



### Why it is important to us

Salmon escaping the nets are a big concern to us because of the possibility of negative influences on the wild fish stock, especially wild salmon and trout. Escape may harm the industry's reputation and influence the external conditions for future growth, in addition to financially harming the company.

### Our main principles

We have zero tolerance for escapes from our facilities, and we work continuously to prevent escapes. In order to facilitate this work, we will ensure high technical standards on our locations through long-term investments and necessary resources. On the sites, we will continue to work with routines and build the relevant competence and capacity.

### Our efforts and achievements

Norwegian authorities have established strict demands for producers in order to prevent escaping. We work continuously in order to meet these demands. Throughout 2013 we have completed a series of projects, aiming to improve our production prerequisites, thus avoiding escaping and fulfilling increasing demands from the authorities. Grieg Seafood Finnmark, for example, has improved the technical standards of the facilities in order to meet these demands. The improvements will help prevent fish escaping by ensuring that the facilities meet appropriate technical standards. We have also established new land-based facilities in Finnmark for smolt production which will produce bigger smolt with increased predictability and control within the cages.

In addition to these improvements we have throughout 2013 focused on systematic facility control and training for our employees working with net bags in order to prevent escapes, and inspections of vessels and facilities are carried out regularly. Visual inspections of moorings are carried out weekly, and technical inspections of the moorings are carried out according to regulations.

Additional inspections are also carried out after periods of harsh weather, and we work to make sure that employees attend courses on escaping once every two years at minimum. New employees also receive risk and procedural training with Operational Managers within their first week, and do not carry out work operations alone until the necessary expertise has been acquired. We have achieved positive results through our continuing work towards preventing escaping, and in 2013 we achieved our goal of zero escapes in Rogaland and Hjaltland. Unfortunately, in Canada we had three occurrences, the first at sea where one fish escaped and two occurrences at our hatchery in Golden River, where we had reports of 9 to 14 escaped fish and one case of 200 to 300 escaped fish. In Finnmark we had one possible escape, «The Kåfjord Case», which is still unresolved. Farmed fish were discovered near our abattoir in Alta, but the cause is still unknown. Grieg Seafood Finnmark reported the case to the police, and an investigation is ongoing.

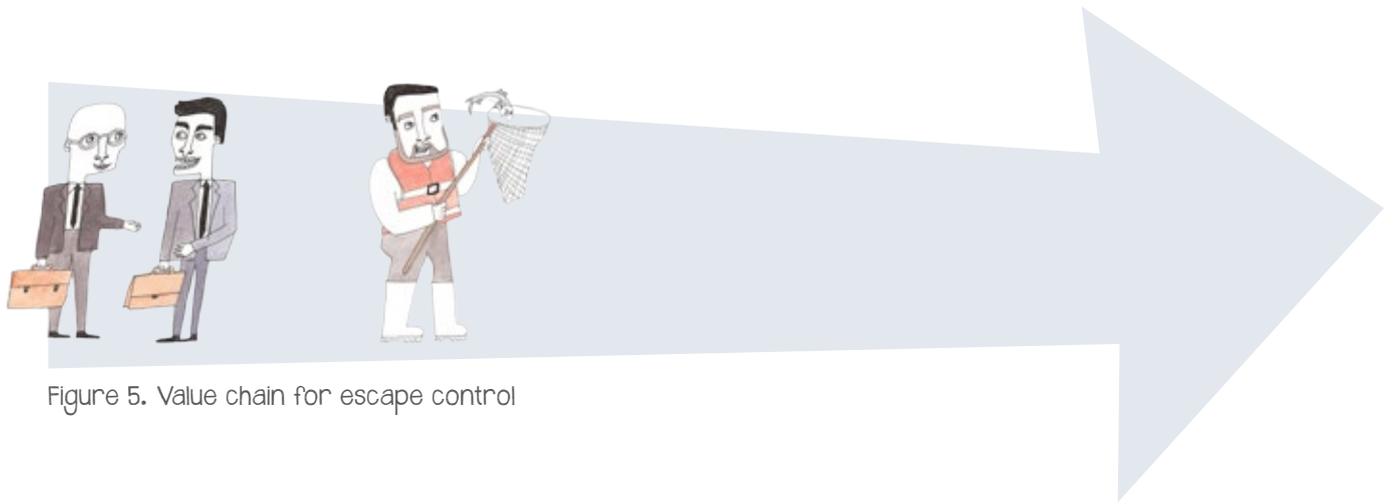


Figure 5. Value chain for escape control

**Purchases**

- Investments in facilities and technology

**Fish farming**

- Preventive measures
- Continuous monitoring of levels
- Training and raising awareness among employees
- Large smolt
- Records and follow-up through "Fishtalk"

Grieg Seafood was in October 2013 fined 2.3 MNOK due to an alleged breach of routines in relation to two escapes in early 2010, both which – in accordance with the company’s routines – were reported to the authorities. Grieg Seafood Finnmark made no financial gains from these alleged breaches and neglect, and all of the deviations stated by authorities have been rectified within the appointed deadlines. Grieg Seafood views the case seriously, but disagrees with the notion that the alleged breaches were deemed punishable. For judicial economic reasons the company has accepted the fines nonetheless.

**Our ambitions and goals**

Our goal is zero occurrences of escaping, and zero escaped fish. An important means to achieve this is to continuously ensure the NYTEK standard at our facilities. In the future we will continue to focus on preventative projects, and as part of this we will ensure a systematic approach to reporting near occurrences and actual occurrences.

## EMPLOYEES' HEALTH, SAFETY AND WORK ENVIRONMENT



We shall provide a work place where our employees can thrive and develop.



### Why it is important to us

It is our responsibility to ensure that our employees are safe and satisfied at work. Concurrently, our employees' motivation is also a fundamental factor in securing productivity and loyalty, in addition to attracting new employees. In addition to our full time administrative employees, those at the edge of the cages and at the process facilities, we have a responsibility to support our suppliers and part time employees who contribute to production and transport. Among these suppliers there is a risk of unacceptable salary and employment conditions. We therefore work systematically to ensure that our business with our suppliers is conducted in a healthy, safe and enjoyable way.

### Our main principles

Ensuring our employees' health and safety demands a positive safety culture including guidelines, procedures and processes as instruments to prevent and manage injuries, sickness, accidents and fatalities. We want a workplace where our employees thrive and develop. The overall HSE goal is to avoid injuries to human beings, the environment and material goods.

Our zero philosophy can best be described as: accidents don't just happen, they are caused. All accidents can therefore be prevented. We will therefore strive towards an excellent safety culture where the individual employee has a personal understanding of risk and consequence.

Positive working conditions and all workers' rights shall be safeguarded according to international and national conventions, and we will work to ensure that this applies to hired work and suppliers. We will especially work systematically to avoid social dumping in relation to our production. We will work continuously to identify areas of improvement and implement measures and prioritise resources in order to put in place the necessary measures above and beyond statutory tasks.

### Our efforts and achievements

Grieg Seafood has throughout 2013 worked continuously to improve our employees' health, safety and work environment. We work in accordance with the authorities' demands for health, environment and safety. This applies to such areas as preventing and following up sick leave and accidents causing personal injury throughout 2013.

This table also provides an overview of sick leave in 2013. There is of course a large discrepancy in sick

Table 5. Number of incidents leading to personnell injury in 2013.

2013	GSF BC	GSFF	GSFR	GSFH
Incidents	14	14	9	12

Table 6. Sick leaves

2013	GSF BC	GSFF	GSFR	GSFH	TOTALT
Total sick leave	1 %	8.65 %	3.21 %	3.64 %	4.80 %
Long tem sick leave	1 %	6.64 %	1.84	1.07 %	3.02 %

leave between employees working in offices, the abattoir or at the facilities. In Finnmark the sick leaves have been most frequent at the processing facility, and the focus for 2013 was therefore to reduce these sick leaves. A number of measures were put in place, of which we are seeing results already at the start of 2014.

There are differing cultures for reporting absence in various countries. Norway has excellent conditions for sick leave, and registering sick leave is therefore important for both employee and employer. Other counties such as BC and Hjaltdland have different conditions and rules, which means the focus on registering and following up sick leave has had a different focus in these countries.

Grieg Seafood is dedicated to securing proper training and following up of our new employees. The goal is to ensure that an employee:

- is acquainted with the guidelines, procedures etc. applicable to the position which they are employed.
- are integrated into the business in a satisfactory way.
- are followed up in relation to the tasks he or she is to complete, ensuring that both follow-up work and any deviations from expectations can be documented.

When we hire someone, we have clear expectations to the work our new employee will be doing. We have expectations of goal orientation, effectiveness, quality, professional delivery and that the person is to become a part of our work culture. Our new employee expects to contribute as quickly as possible, and to enjoy meaningful work with great colleagues where relationships can develop. Some are preoccupied with career and knowledge development. Some want varying degrees of responsibility, delegated tasks and opportunities to determine their workday, etc. They all wish for competent leaders who guide and facilitate development.

We also work systematically with following up staffing companies in order to ensure that the company's hired workforce is not exposed to social dumping

through employment contracts which don't safeguard relevant workers' rights and demands for an adequate work environment.

### Our ambitions and goals

Our ambition is zero injuries and accidents. We will therefore continue to work in order to improve awareness and routines going forward.

Our goal for sick leave in 2014 is to carry out a common policy for registering sick leave based on Norwegian regulations, independent of compensation. There will be various parameters for employees around the cages, processing facilities and in the administration because of the work situation and subsequent risk of sickness and injury. The goal for 2014 is to reduce the company-wide sick leave.

In 2013 we have put down an HR strategy for the period between 2014 and 2017. This strategy has three defined focus areas; competence, recruitment and work environment. When it comes to competence we will prioritise training of new employees and leadership development. Pertaining to recruitment, the focus is to ensure an effective and relevant staffing which ensures both short and long term needs. For the development of our work environment we will establish goal parameters and management systems which ensure that the work environment is followed up in a systematic fashion; employee questionnaires will be one of our tools to accomplish this. Based on these questionnaires we will establish a common approach and priorities across the group. A focal area going forward will also be to ensure that we have clear demands toward our staffing companies in relation to social dumping.

## INTEGRITY AND ANTI-CORRUPTION



We do not accept corruption or bribes in order to further business interests or personal goals.



### Why is it important to us?

Integrity in all parts of our business and activities help safeguard us against disruptions, sanctions, loss of reputation, and contributes toward protecting our creation of value in favour of various interest groups. The work toward anti-corruption and integrity is also fundamental in order to live in accordance with our values of openness and respect.

When it comes to regulatory compliance we pay special attention to the regulations pertaining to our industry in addition to anti-corruption regulations, ensuring competition and workers' rights. We feel these areas are of critical importance toward strengthening and protecting our business.

### Our main principles

Our business is based on the normal/strict norms of ethics and complying with relevant regulations. We do not accept corruption or bribes in order to further business interests or personal goals. We will have internal routines of control protecting both the business and our employees against fraud and breaches of laws and regulations, and we work to strengthen the defences of our business through goal-oriented training and control. Our external alert body and clear procedures for following up alerts is an important element of these defences.

### Our efforts and achievements

In order to promote integrity we work continuously to make sure that our main principles will remain perennial when it comes to our understanding of risk, and that it is realised to a great a degree as possible.

With integrity we do not just mean compliance with laws and regulations, but also a continuous awareness of the effect of our strategies, activities and results on our surroundings and interested parties. We strive toward a continuous internal dialogue between colleagues, managers and interested parties to ensure that our choices and decisions are well-founded and understood.

In 2013 we have also established an external body for alerts and procedures for proper follow-up of alerts in cooperation with EY.

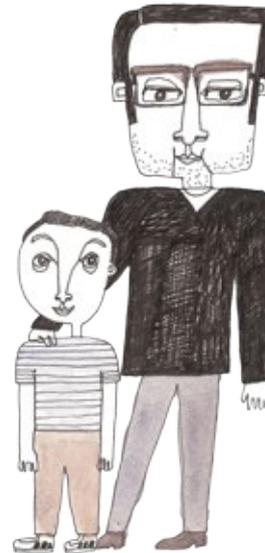
### Our ambitions and goals

We will continuously work to ensure that our regulations and policy documents focus on our most important areas of risk. Moving forward we will also work toward ensuring that we comply with both internal and external demands through holistic training, management and analysis. An important element to this work includes increasing the stream of information pertaining to conditions worthy of criticism and other opportunities for improvement.

## RIPPLE EFFECTS IN LOCAL COMMUNITIES



We wish to ensure that our activities cause positive ripple effects in our local communities.



### Why it is important to us

Grieg Seafood can affect the local communities in which we operate, both positively and negatively. At the same time we depend on these communities thriving, and on good relationships with our neighbours and host municipalities. Positive ripple effects can contribute to a spread in settlement, maintenance and establishment of new jobs, development of income and infrastructure through taxation; Negative ripple effects can potentially surface due to increased activity and reduced traffic safety on local roads, noise and unpleasant smells from fish farming and processing as well as unwanted activity around recreational areas and holiday locations.

### Our main principles

We wish to ensure that our activities cause positive ripple effects in our local communities. We will there-

fore use local suppliers as often as we can. We wish to also contribute economically to local development, especially when it comes to activities with children and youth. We will also work to attract new employees and will raise awareness of fish farming and the work and development opportunities within our industry.

### Our efforts and achievements

Throughout 2013 Grieg Seafood has maintained existing initiatives in order to create positive ripple effects in our local communities.

Our economic ripple effect in our local communities has many channels, including local jobs within Grieg Seafood, procurement from local suppliers and sponsoring local initiatives. The figure below gives an insight into our economic influence through these channels.

Table 7: Ripple effects in local communities (numbers are in thousand NOK)

	Total	GSF F	GSF R	GSF H	GSF BC	ASA
Grants to Local Communities	2 211	943	455	87	477	248
Local Procurements	556 881	132 986	31 805	97 428	281 547	13 115
Salaries	302 223	96 970	79 195	59 764	36 058	33 236
Number of employees	626	202	106	220	84	14



Throughout 2013 we have also strived to create positive local ripple effects by maintaining our focus towards being a contributor to the local community by supporting local sports teams and other cultural organisations focusing on children and youth. We choose local suppliers whenever possible.

Grieg Seafood Rogaland has established a training scheme together with high schools in the county. The company was named «Trainee Company of the Year 2012»; Grieg Seafood Rogaland has been a trainee company for many years and the experience has been highly positive. By contributing as a trainee company we can maintain a local opportunity and are able to maintain the competency level within the local area, and the trainee scheme can be an entrance for future employment.

Grants to beneficial initiatives in the local communities in which we operate also serve as an important contribution toward ensuring positive ripple effects. Every region actively supports and provides recreational activities for children and youth in addition to other cultural events. In Rogaland, for example, we are the main sponsor of the Grieg Race during the Tomato Festival at Finnøy every year, and in Canada we are also an important contributor to First Nations, an organisation representing the local indigenous population. By being part of the Grieg Group we also contribute 25 % of any profit to the Grieg Foundation through our owner Grieg Holdings AS. This profit goes to international and national charities, among them SOS Barnebyer, Haukeland Hospital, art and culture and many other areas.

Grieg Foundation's contributions mainly go toward:

- Sports and education
- Music or other cultural initiatives
- Medical research or health projects in general

In addition we have completed projects to further awareness and visibility surrounding the role aquaculture plays in the local communities. Also, these projects have been aimed toward children and youth; Finnmark is active in schools and has projects in cooperation with the schools. For instance we have organised aquaculture days for 8th graders at schools

in Alta and Loppa in order to teach the students about fish farming, and what it is like to work there. We do this so that children and youth can gain insight into what they can expect working with salmon rearing. In Rogaland our production facilities are visited by schools and kindergartens several times per year. This is, again, so that children and youth in the area can gain insight into what it is like to work within the salmon rearing industry.

### Our ambitions and goals

Moving forward we will continue to support activities for children and youth. We will also work to establish a common approach to how we can secure a positive effect on, and good relations with, our local communities.

